



U.S. Department of Justice

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NEWS RELEASE

**FOR IMMEDIATE RELEASE
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United States Attorney Paul J. McNulty announced today that David W. Armstead Jr., 34, of Fort Washington, Maryland was convicted by a jury yesterday on two counts of felony copyright infringement. Each count carries a maximum statutory penalty of 5 years imprisonment and a \$250,000 fine. Armstead's sentencing is scheduled for November 2005 before the Honorable Leonard D. Wexler, United States District Judge.

Armstead was charged with selling over 300 bootleg DVDs of ten feature films to an undercover federal agent, including 2 Fast 2 Furious, The Italian Job, The Matrix Reloaded, Wrong Turn, Finding Nemo, Gang of Roses, Paycheck, Lord of the Rings: Return of the King, My Baby's Daddy, and Bad Santa. The copyrighted movies included films from five of the major U.S. movie studios: Columbia, Disney, Fox, Paramount, and Universal. With the exception of one title that went directly to video, the films were camcordered versions of the movies that were still in theatrical release at the time Armstead distributed them.

The jury's verdict brought to an end a two-day trial during which the United States proved that Armstead sold bootleg DVD movies to an undercover agent on both June 11, 2003 and January 13, 2004. Each count of the indictment represented one sale.

Armstead was contacted by an undercover agent from the Department of Homeland Security's Bureau of Immigration and Customs Enforcement (ICE) in June 2003 with an order for bootleg DVD movies. ICE had received a tip that Armstead was a significant distributor of illegally camcordered movies. On June 11, 2003, Armstead drove to a mall parking lot in the Eastern District of Virginia with a box of 100 bootleg DVDs and sold them for \$500 to the ICE agent. In January 2004 the undercover agent again contacted Armstead and placed an order for 200 bootleg DVDs. As before, Armstead met the agent and was paid \$1000 for the 200 copyrighted films.

On March 12, 2004, ICE agents executed a search warrant at Armstead's home. There they discovered a virtual factory for producing bootleg DVD movies, including 6 computers and 15 DVD drives. They also found a large collection of bootleg DVD movies, as well as hundreds of blank recordable DVDs and empty jewel cases.

The movies sold by Armstead were examined by a piracy expert from the Motion Picture Association of America (MPAA), the studio's trade association, and were found to be infringing

copies of its members' copyrighted works. The expert testified during trial that camcorderd movies were the most common type of movie piracy today, and that piracy causes an estimated annual loss of \$3.5 billion worldwide to the movie industry.

This case was investigated by agents of the Department of Homeland Security's Bureau of Immigration and Customs Enforcement (ICE), with assistance from the Motion Picture Association of America and the Video Software Dealers Association.

The case was prosecuted by Assistant United States Attorney Charles F. Connolly and Trial Attorney Jay V. Prabhu of the U.S. Department of Justice's Computer Crime and Intellectual Property Section.

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